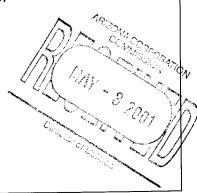
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## ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

## ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02859A

DIVERSIFIED WATER UTILITIES, INC. P.O. BOX 17357 PHOENIX, AZ 85011



## ANNUAL REPORT

FOR YEAR ENDING

12 31 2000

FOR COMMISSION USE

ANN04 00

#### **COMPANY INFORMATION**

Company Name (Business Name	e) DIVERSIFIED WATE	KUILIII		
Tailing Address P.O. BOX 17357				
(Street)			0.70	d -d
PHOENIX	AZ_		850	
(City)	(State)		(Z	ip)
		1 \	Pagar/Call No. (I	nclude Area Code)
elephone No. (Include Area Code)	Fax No. (Include Area C	ode)	rager/cen 140. (1	neidde / ned code)
mail Address SAME AS ABO	VE			
ocal Office Mailing Address				
	(Street)			
(City)	(State)		(Zij	p)
ocal Office Telephone No. (Include Area Code	) Fax No. (Include Are	a Code)	Pager/Cell N	o. (Include Area Code)
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ocal Office Telephone No. (Include Area Code	,			
Email Address	,			
Email Address	ANAGEMENT INFO		ON DENT	
Email Address	ANAGEMENT INFO	RMATIO	ON DENT	tle)
Management Contact:	SCOTT W. GRAY (Name)	RMATIO	ON DENT (Ti	
Email Address	SCOTT W. GRAY (Name)	PRESID	ON DENT	tle)
Management Contact:  P.O. BOX 17357 PHOE (Street)	SCOTT W. GRAY (Name) NIX AZ	PRESID	ON DENT (Ti	(Zip)
Management Contact: P.O. BOX 17357 PHOE	SCOTT W. GRAY (Name) NIX AZ (City)	PRESID  85011	ON DENT (Ti	
Management Contact:  P.O. BOX 17357 PHOE (Street)  (602) 840-1898	SCOTT W. GRAY (Name) NIX AZ (City) (602) 840-6	PRESID  85011	ON DENT (Ti	(Zip)
Management Contact:  P.O. BOX 17357 PHOE (Street) (602) 840-1898 Telephone No. (Include Area Code) Email Address	SCOTT W. GRAY (Name)  NIX AZ (City)  (602) 840-6  Fax No. (Include Ar	PRESID  85011	ON DENT (Ti	(Zip)
Management Contact:  P.O. BOX 17357 PHOE (Street) (602) 840-1898 Telephone No. (Include Area Code) Email Address	SCOTT W. GRAY (Name) NIX AZ (City) (602) 840-6 Fax No. (Include Ar	PRESID  85011	ON DENT (Ti	(Zip)
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Management Contact:  P.O. BOX 17357 PHOE (Street)  (602) 840-1898  Telephone No. (Include Area Code)	SCOTT W. GRAY (Name) NIX AZ (City) (602) 840-6 Fax No. (Include Ar	PRESID  85011	ON DENT (Ti	(Zip)
Management Contact:  P.O. BOX 17357 PHOE (Street)  (602) 840-1898  Telephone No. (Include Area Code)  Email Address On Site Manager: SAME A	SCOTT W. GRAY (Name)  NIX AZ (City) (602) 840-6 Fax No. (Include Ar	PRESID  85011  6030 ea Code)	ON  DENT  (Ti  (State)  Pager/Cell No. (I	(Zip) nclude Area Code) (Zip)

OVE		
(Name)		
(City)	(State)	(Zip)
Fax No. (Include Area Code	Pager/Cell No. (	Include Area Code)
VE		
(Name)		
(City)	(State)	(Zip)
Fax No. (Include Area Code)	Pager/Cell No. (I	nclude Area Code)
NERSHIP INFORMATIO	<u>N</u>	
your company:		
C Corporation (C	) (Other than Ass	ociation/Co-op)
Subchapter S Coi	poration (Z)	
Association/Co op	) (A)	
Limited Liability	Company	
COUNTIES SERVED		
in which you are certificated to pr	ovide service:	
m miner you are continued to pr		
☐ COCHISE	COC	ONINO
☐ GRAHAM	GRE	ENLEE
<b>MARICOPA</b>	□ МОН	IAVE
☐ PIMA		<b>L</b>
☐ YAVAPAI	☐ YUM	IA
	Fax No. (Include Area Code  VE  (Name)  (City)  Fax No. (Include Area Code)  PARSHIP INFORMATION  your company:  C Corporation (C  Subchapter S Con  Association/Co op  Limited Liability  COUNTIES SERVED  in which you are certificated to pro  COCHISE  GRAHAM  MARICOPA  PIMA	(City) (State)  Fax No. (Include Area Code Pager/Cell No. ( VE (Name)  (City) (State)  Fax No. (Include Area Code) Pager/Cell No. (I  VNERSHIP INFORMATION  your company:  C Corporation (C) (Other than Ass  Subchapter S Corporation (Z)  Association/Co op (A)  Limited Liability Company  COUNTIES SERVED  in which you are certificated to provide service:  COCHISE COC  GRAHAM GRE  MARICOPA MORE

#### **UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	3,200		3,200
304	Structures and Improvements	19,025	717	18,308
307	Wells and Springs	87,523	26,258	61,265
311	Pumping Equipment	42,311	16,303	26,008
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	43,653	5,143	38,510
331	Transmission and Distribution Mains	323,998	22,815	301,183
333	Services	17,551	2,906	14,645
334	Meters and Meter Installations	35,450	3,830	31,620
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,606	57	1,549
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	574,317	78,029	496,288

This amount goes on the Balance Sheet Acct. No. 108

## CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
No.	DESCRIPTION			
301	Organization			
302	Franchises			
303	Land and Land Rights	3,200		
304	Structures and Improvements	19,025	3.56%	677
307	Wells and Springs	87,523	3.56%	3,116
311	Pumping Equipment	42,311	3.56%	1,506
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	43,653	3.56%	1,554
331	Transmission and Distribution Mains	323,998	3.56%	11,534
333	Services	17,551	3.56%	625
334	Meters and Meter Installations	35,450	3.56%	1,262
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,606	3.56%	57
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	574,317		20,331

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.



To The Board of Directors of Diversified Water Utilities, Inc. Phoenix, Arizona

We have compiled the balance sheet of Diversified Water Utilities, Inc. as of December 31, 2000 and 1999, and the related comparative statement of income and expenses for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

ULLMANN & COMPANY, P.L.C. Certified Public Accountants

Wilmann & Company

March 14, 2001

#### COMPANY NAME DIVERSIFIED WATER UTILITIES, INC.

#### **BALANCE SHEET**

Acct. No.		BALANCE AT BALANCE AT BEGINNING OF END OF			
	ASSETS		YEAR		YEAR
	CURRENT AND ACCRUED ASSETS				
131	Cash	\$	2,261	\$	19,470
134	Working Funds				
135	Temporary Cash Investments				
141	Customer Accounts Receivable		13,651		5,508
146	Notes/Receivables from Associated Companies				
151	Plant Material and Supplies			ļ	
162	Prepayments				
174	Miscellaneous Current and Accrued Assets				
	TOTAL CURRENT AND ACCRUED ASSETS				
		\$	15,912	\$	24,978
	FIXED ASSETS				
101	Utility Plant in Service	\$	225,334	\$	574,317
103	Property Held for Future Use				
105	Construction Work in Progress				
108	Accumulated Depreciation - Utility Plant		57,698		78,029
121	Non-Utility Property				
122	Accumulated Depreciation - Non Utility				
	TOTAL FIXED ASSETS	\$	167,636	\$	496,288
	TOTAL ASSETS	\$	183,548	\$	521,266

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page

#### **BALANCE SHEET (CONTINUED)**

Acct. No.	BEGINNING END		ANCE AT ND OF YEAR		
	CURRENT LIABILITES				
231	Accounts Payable	\$	6,955	\$	983
232	Notes Payable (Current Portion)				
234	Notes/Accounts Payable to Associated Companies				
235	Customer Deposits		5,590		5,950
236	Accrued Taxes		12,652		388_
237	Accrued Interest				
241	Miscellaneous Current and Accrued Liabilities		111,541		54,117
	TOTAL CURRENT LIABILITIES	\$	136,738	\$	61,438
	LONG-TERM DEBT (Over 12 Months)				
224	Long-Term Notes and Bonds			\$	25,040
440	DEFERRED CREDITS				
251	Unamortized Premium on Debt				
252	Advances in Aid of Construction		68,542		382,668
255	Accumulated Deferred Investment Tax Credits				
271	Contributions in Aid of Construction				19,550
272	Less: Amortization of Contributions				177
281	Accumulated Deferred Income Tax				
	TOTAL DEFERRED CREDITS	\$	68,542	\$	402,041
	TOTAL LIABILITIES	\$	205,280	\$	488,519
	CAPITAL ACCOUNTS				
201	Common Stock Issued	\$	2,000	\$	2,000
211	Paid in Capital in Excess of Par Value				
215	Retained Earnings		(23,732)		30,747
218	Proprietary Capital (Sole Props and Partnerships)				
	TOTAL CAPITAL	\$	(21,732)	\$	32,747
	TOTAL LIABILITIES AND CAPITAL	\$	183,548	\$	521,266

#### COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct.	OPERATING REVENUES		OPERATING REVENUES PRIOR YEAR		CURRENT YEAR		
461	Metered Water Revenue	\$	84,436	\$	101,582		
460	Unmetered Water Revenue						
474	Other Water Revenues		9,552		1,025		
	TOTAL REVENUES	\$	93,988	\$	102,607		
**************************************	OPERATING EXPENSES						
601	Salaries and Wages	\$	36,000				
610	Purchased Water						
615	Purchased Power		6,370		7,868		
618	Chemicals						
620	Repairs and Maintenance		676		3,841		
621	Office Supplies and Expense		3,281		2,734		
630	Outside Services		8,910		17,522		
635	Water Testing		5,086		4,652		
641	Rents		4,800		2,400		
650	Transportation Expenses		4,186		5,706		
657	Insurance - General Liability		976		933		
659	Insurance - Health and Life						
666	Regulatory Commission Expense - Rate Case						
675	Miscellaneous Expense		8,451		14,983		
403	Depreciation Expense		7,908		20,154		
408	Taxes Other Than Income		2,754				
408.11	Property Taxes		941		2,364		
409	Income Tax						
	TOTAL OPERATING EXPENSES	\$	90,339	\$	83,157		
	OTHER INCOME/EXPENSE						
419	Interest and Dividend Income			\$	75		
421	Non-Utility Income						
426	Miscellaneous Non-Utility Expenses						
427	Interest Expense		5,361		4,205		
	TOTAL OTHER INCOME/EXP	\$	(5,361)	\$	(4,130)		
	NET INCOME/(LOSS)	\$	(1,712)	\$	15,320		

#### COMPANY NAME DIVERSIFIED WATER UTILITIES, INC.

## SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
	1997			
Date Issued				
	HARRIS TRUST			
Source of Loan	NOTE			
ACC Decision No.				
	PLANT			
Reason for Loan	IMPROVEMENT			
Dollar Amount Issued	\$40,000	\$	\$	\$
Amount Outstanding	\$25,040	\$	\$	\$
	09/30/04			
Date of Maturity				
	9.5%			
Interest Rate				
Current Year Interest	\$2,646	\$	\$	\$
Current Year Principle	\$5,397	\$	\$	\$

Meter Deposit Balance at Test Year End	\$92,229
Meter Deposits Refunded During the Test Year	\$7,853

#### COMPANY NAME DIVERSIFIED WATER UTILITIES, INC.

## WATER COMPANY PLANT DESCRIPTION

#### **WELLS**

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
56-002258,0000	25	110-120	14	3

#### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

## TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = \_\_\_\_\_

Quantity		
Quantity	Quantity Standard	Quantity Other
2	None	
_	2	2 None

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000	1	5 000	l

### STATISTICAL INFORMATION

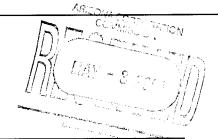
Total number of customers	170		
Total number of gallons sold		15,905,650	gallons

COMPANY NAME_DIVERSIFIED WATER UTILITIES, INC.	YEAR ENDING 12/31/2000
PROPERTY TAXES	
Amount of actual property taxes paid during Calendar Year 2000 was: \$	full" or copies of cancelled checks for
If no property taxes paid, explain why	

COMPANY NAME DIVERSIFIED WATER U	<u> </u>	YEAR ENDING 12/31/2000
INC	OME TAXES	
For this reporting period, provide the following:	taxation (Subc	hapter s) at the
Federal Taxable Income Reported Estimated or Actual Federal Tax Liability		
State Taxable Income Reported Estimated or Actual State Tax Liability		
Amount of Grossed-Up Contributions/Advances:		
Amount of Contributions/Advances Amount of Gross-Up Tax Collected Total Grossed-Up Contributions/Advances		
Decision No. 55774 states, in part, that the utility of the tax year when tax returns are completed. Pursuper or if any gross-up tax refunds have already and amount of contribution/advance, the amount Payer, and the date the Utility expects to make or have a state of the contribution o	been made, attach the followi of gross-up tax collected, the	ng information by Payer: name amount of refund due to each
CERTIFICATION		
The undersigned hereby certifies that the Utility h prior year's annual report. This certification is to corporation; the managing general partner, if a company or the sole proprietor, if a sole proprietor	be signed by the President of partnership; the managing	or Uniel Executive Officer, if a
SIGNATURE	DATE	
PRINTED NAME	TITLE	

COMPANY NAME DIVERSIFIED WATER UTILITIES, INC. YEAR ENDING 12/31/2000
WATER AND SEWER
UTILITIES ONLY
UTILITIES ONE I
PROPERTY TAXES
Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)
\$ 2,364
Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.
If no property taxes paid, explain reasons below:

#### VERIFICATION AND **SWORN STATEMENT Intrastate Revenues Only**



VERIFICATION STATE OF ARIZONA I, THE UNDERSIGNED

**MARICOPA** NAME (OWNER OR OFFICIAL) TITLE **SCOTT W. GRAY** COMPANY NAME

COUNTY OF (COUNTY NAME)

OF THE

DIVERSIFIED WATER UTILITIES, INC.

#### DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPRORATION COMMISSION

FOR THE YEAR ENDING

MONTH 2000 12 31

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

#### SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE **UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:** 

> Arizona IntraState Gross Operating Revenues Only (\$) \$ 109,072

(THE AMOUNT IN BOX ABOVE **INCLUDES \$** 6,466 IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES **ELSEWHERE REPORTED, ATTACH THOSE** STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

APRIL WI 2001 Notary Public State of Arizon Maricopa County

DAY OF

MONTH

TELEPHONE NUMBER

20 01

GNATURE OF NOTARY PUBLIC

Expires March 12, 2004
MY COMMISSION EXPIRES

MARCH 12.2004

# VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE

INTRASTATE REVENUES ONLY



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

(COUNTY NAME) MARICOPA

NAME (OWNER OR OFFICIAL) SCOTT W. GRAY TITLE PRESIDENT

COMPANY NAME DIVERSIFIED WATER UTILITIES, INC.

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

#### **SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE UTILITY OPERATIONS</u> RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

\$_	6,466	 IN SALI
		J

(THE AMOUNT IN BOX AT LEFT INCLUDES \$\_109,072
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

ARIZONA INTRASTATE GROSS OPERATING REVENUES

X SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

(SEAL)

Notable Public State of Arizon AY OF

Maricopa Gounty

Andrea Nako

Expires March 12, 2004

MY COMMISSION EXPIRES MAKEN 12,2004

COUNTY NAME MAKICOPA

MONTH APRIL . 2001

SIGNATURE OF NOTAR PUBLIC

#### PINAL COUNTY TREASURER TAX RECEIPT

Paid by: DIVERSIFIED WATER UTILITIES INC

SCOTT W GRAY/PRESIDENT

P O BOX 17357

PHOENIX, AZ 85011

MAIL BATCH:

1953298 4/04/2001

Payment Date: Interest Date:

4/30/2001

Printed by:

TRSSRN

Description

Amount

Balance Due --- If paid by

921-50-12908 2000 TAXES TOTL

1,812.56 1,812.56 \*

.00

TOTAL PAID

1,812.56

TOTAL VALUE OF OPERATING PROPERTY

210-04-119

2,784